AMENDMENTS TO THE CLAIMS

1.   (Cancelled)

2.   (Cancelled)

3.   (Cancelled)

4.   (Cancelled)

5.   (Cancelled)

6.   (Cancelled)

7.   (New) A moving picture prediction system for predicting a moving picture to be implemented in at least one of an encoding and a decoding, the moving picture prediction system comprising:

a plurality of memories for storing picture data for reference to be used for prediction; and

a prediction picture generation section including

a motion compensator for receiving a parameter representing a motion of a picture segment to be predicted, and for generating a predicted picture by using the picture data stored in the plurality of memories based upon the parameter, and

a memory update unit for updating the picture data stored in at least one of the plurality of memories with capability of controlling the number of the plurality of memories to be used for prediction.